Framing of Housing conditions in Country

2540. SHRIMATI MIRA DAS:

SHRI SARADA MOHA-NTY :

Will the Minister of URBAN DEVELOPMENT be pleased to state :

(a) whether any principle Agenda for policy in the Eighth plan for country's extremely poor housing conditions has been formulated;

(b) whether the Shelter Sector is recognised as of deserve some priority in terms of both intellectual and financial resources;

(c) whether it is recognised that housing investments would require a network of financial institutions to finance for future developments in substantial manner;

(d) whether there is any overburden on people for their own financial investment;

(e) whether fiscal treatments have given to households to save and invest in housing;

(f) what are the tax benefits-interest mode of payments towards housing loan; and

(g) whether HDFC or any other financial institutions would associate or involve in two schemes, if so, what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI M. ARUNA-CHALAM) : (a) In line with the National Housing Policy (NHP), the core strategy of the Eighth Five year Plan provides for creating an enabling environments for housing activity by eliminating various constraints and also providing direct assistance to the poor andvulnerable groups.

(b) Recognising housing as an imxortance component of ational economy, the total plan outlay of Central and State Sector during Eighth Five Year Plan has been augmented as against 7th Plan provision.

(c) and (d) The NHP envisages that 20% of the requirement of investment in housing could be met by specialised housing finance institutions, insurance institutions, insura-rance and banking sector, Provident Fund etc. It is recognised that bulk of the population is unable to secure finance from formal institutions due to various inadequacies. This is proposed to be addressed by flexible lending policies and simplified procedures to ensure affordable monthly instalments and larger geographical coverage. The NHP also envisages additional mobilisation of household savings linked to availability of housing loans and acquisition of shelter.

(e) Various fiscal incentives are available for promoting investment in housing activity by private sector and individuals and also to enable mobilisation of funds by Housing Finance Institutions.

(f) Tax exemption is available for repayments of loans taken for house construction from specified institutions upto Rs. 10,000/- in an assessment year as provided under Section 88 of the Income Tax Act. The interest on housing loans is allowed to be set off against the income from house property as provided under Section 24 of the Income Tax Act.

(g) HDFC, which is a private sector housing finance institution provides housing loans with graduated interest rates to individuals belonging to various income categories and corporate bodies for acquiring, cons tructing and improving residential houses throughout the country. Finance is offered on similar terms by approved Housing Finance Institu tions subject to overall regulation by National Housing Bank.